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FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC PRIORITY 9862
INFO RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RHMCSUU/FBI WASHINGTON DC
RUCPDOG/USDOC WASHDC
RUEKJCS/SECDEF WASHINGTON DC
RUEPINS/HQ BICE INTEL WASHINGTON DC

UNCLAS AIT TAIPEI 001295

SENSITIVE
C O R R E C T E D COPY CAPTION
STATE FOR EAP/TC, PM/DTCC AND ISN/MTR

STATE PASS TO AIT/W

PM/DTCC FOR BLUE LANTERN COORDINATOR TIM MAZZARELI

SIPDIS

FROM AIT KAOHSIUNG BRANCH OFFICE

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [TW](#)
SUBJECT: TAIWAN: RESULTS OF BLUE LANTERN CHECK FOR DTC CASE
050112953

REF: STATE 00085802

¶1. (SBU) Per reftel request, AIT Kaohsiung visited the Air Force Institute of Technology to meet with Colonel Yang Hsing-bang and other officers who are responsible for the procurement and use of the United States Munitions List (USML) item in question. AIT/K also visited the local consignee, Sense Tek, and interviewed the company's owner, Mr. Lin Ke-Long. Both interviewed parties confirmed that the Constant Speed Drive (CSD) would be procured only to be used as a student training aid at the Institute. Both organizations noted that the CSD they are purchasing is used and out-of-date. They only want to use the CSD as a learning tool. Sense Tek will cut the CSD into cross sections and put it on display as a model for students to view. Both organizations supplied contracts that were used to purchase the CSD and both seem like reliable recipients of the CSD.

¶2. (SBU) Below are the answers to questions listed in the reftel.

--Does the company have supporting documentation, including purchase orders, for this proposed transaction?

Yes, the company provided contracts and purchase orders.

--What role will Sense Tek play in the proposed transaction? Will Sense Tek be handling or storing the items listed on the application? If so, does it have secure facilities and proper accounting and security procedures for handling these sensitive USML items?

Sense Tek is the consignee and will also be the one to cut the CSD into cross sections and turn it into a display model for the Air Force Institute. The item will be stored in a locked warehouse while the CSD is at their facility. Locking the warehouse is the extent of their security procedure.

--What is the exact end-use for this USML item? How exactly will the component be used as a "student training aid"?

The CSD will be used as a learning tool in a classroom setting for junior Air Force mechanics. A cross section of the CSD will be cut out and be used as a display model to help students understand the

inside components of a CSD. The CSD will not be used in any other way.

--When was the company established and who are its principals?

Sense Tek was established in 1988 and Mr. Lin Ke-Long is the owner.

--What is the nature of its business -- what type of items does it handle, does it serve as a broker?

Sense Tek makes orders machines that will be used as display models for mechanical systems that schools to use as learning aids for future mechanics or engineers.

--What type of organizations are among its typical customers and where are the customers located?

Sense Tek's typical customers are universities and technical schools located in Taiwan.

--Does the company understand the restrictions on the United States Munitions List items, especially the prohibition against unauthorized re-transfers and re-exports.

Yes, both the Air Force officers and Mr. Lin claimed familiarity with the restrictions on the re-transfer and re-export of USML items.

Castro

Wang